THE HONOURABLE SRI JUSTICE K.C. BHANU

W.P. No. 18162 of 2005

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Dated: 07.10.2005

Between:-

Ashok Leyland Finance Limited, represented by its Manager

Legal S.Srinath

..Petitioner

And

National Insurance Company Limited, Sanathnagar branch

Bowenpally, Secunderabad and two others.

…Respondents

THE HONOURABLE SRI JUSTICE K.C. BHANU

W.P. NO. 18162 of 2005

O R D E R

The writ petition is filed seeking a writ of Mandamus to declare the inaction on the part of the respondents 1 and 2 for non-settling the claim under Policy No. 551801/2000/6302416, dated 09.01.2001 as arbitrary, illegal and unsustainable and

consequently direct the respondents 1 and 2 to release the claim amount under the said policy.

The main grievance of the petitioner is that the petitioner is a public limited company and involved in the business of hire purchase, lease, bill discounting etc. and during the course of business, third respondent approached the petitioner for financial assistance to acquire Ambassador Car on hire purchase basis and the petitioner accepted his request and extended financial assistance for the said purpose and accordingly on 5.01.2001 the third respondent entered into a hire purchase agreement with the petitioner company and the petitioner financed an amount ofRs.3,10,000/- to third respondent and the value of hire purchase agreement is Rs. 4,09,095/- which includes financial charges as well as principal amount. After taking delivery of the vehicle by 3rd respondent, the vehicle was insured with respondents 1 and 2 by paying an amount of Rs. 9,739/- as premium for a period of one year i.e. from 9.01.2001 to 08.01.2002 vide insurance cover note under 551801/2000/6302416 and subsequently 3rd respondent got registered the said vehicle with RTA authorities vide Registration No. AP 28U 5900. While things stood thus, the said vehicle was stolen on 30.12.2001 and he accordingly gave a complaint dated 30.12.2001 to the Station House Officer, Bowenpally Police Station and it was registered vide FIR No.311/2001, dated 30.12.2001 and the police have investigated the matter and could not locate the vehicle. At the same time, the 3rd respondent also informed to the RTA about the theft of the vehicle and also made the claim before respondents 1and 2. His further case is that as the vehicle is subject to hire purchase with the petitioner which was purchased by 3rd respondent and insured with 1st and 2nd respondent, since vehicle was stolen, the 3rd respondent stopped paying the instalments, the third respondent informed the petitioner to recover the amount from the respondents 1 and 2 of the vehicle insured with them. But the respondents 1 and 2 are silent without disposing the claim petition.

Heard the learned counsel for the petitioner and the learned Standing counsel for respondents 1 and 2.

The dispute is with regard to non-settling the claim under the policy dated 09.01.2001. The petitioner gave representation to the respondents 1 and 2 and they have not taken any action.

Without entering into the merits of the case, I deem it appropriate to direct the first and second respondents to take appropriate decision on the representation dated 14.03.2005 of the petitioner in accordance with law, within a period of eight weeks from the date of receipt of a copy of this order.

With the above direction, this writ petition is accordingly disposed of at the admission stage. No costs.

K.C. BHANU, J

7th October, 2005

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